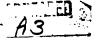
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# Nicaragua Installs Elected Assembly

By STEPHEN KINZER Special to The New York Times

MANAGUA, Nicaragua, Jan. 9 Nicaragua's new National Assembly was installed today, the first elected body to take office since the Sandinistaled revolution in 1979.

In a newly redecorated hall, the 96 representatives filed to the podium, one by one, to receive their official credentials. But even among the legislators, there was no consensus on whether the new Government structure will be able to improve life for the

country's three million people.

President-elect Daniel Ortega Saavedra, who is to be inaugurated Thursday, has warned Nicaraguans that they face continuing warfare and intensifying economic hardships. Mr. Ortega and the ruling Sandinista Front will dominate the elected Government, but the opposition holds one-third of the Assembly seats. Opposition representatives have said they will immediately challenge a number of key Government programs.

### 'We Are Going to See'

"The future may bring many changes," said Clemente Guido, who is one of 14 Conservative Party deputies in the Assembly. "Nicaraguans want a Western democracy that will also do justice to the poor. We are going to see if the Sandinista Front will change its mentality and if the opposition will change its mentality enough to produce a national consensus."

The three-year-old guerrilla war, which is thought to have taken 5,000 lives during 1984, remains the dominant force in Nicaraguan life. In recent days, leaders of both the Sandinista Army and the insurgent Nicaraguan Democratic Force have reiterated their determination to continue fight-

"During 1985, military aggression will continue being the major factor affecting the life of the country," Ortega said in his year-end message. "The crisis has grown to the point where urgent measures must be taken to help us confront it." Mr. Ortega said that 40 percent of the national budget in 1985 would be devoted to the military. He characterized the war in which Nicaragua is engaged as one of national defense against a mercenary army financed and organized by the United States.

The Sandinistas have vowed never to

pro-Sandinista newspaper Nuevo Diario as "sadistic criminals who rape, mutilate prisoners, murder children and burn people alive."

The Democratic Force, the largest armed faction fighting the Sandinistas, appears equally militant. In a clandestine radio broadcast last week, the Democratic Force said it rejected 'pacifist speculations which go against the interests of the Nicaraguan peo-

ple."
"We will never accept any peace
drawn up behind our backs under which the present Sandinista Government remains in power in Nicaragua," the broadcast said.

Sandinista leaders have charged that the United States is deeply involved in guiding the rebels. Defense Minister Humberto Ortega Saavedra said last week that during 1984, "The United States increased its military presence in the area with the goal of preparing the base for a direct intervention against Nicaragua and of intimidating the revolution with its forces.'

#### U.S. Aid to Rebels Cut

After Congress convenes in Washington this month, the Reagan Adminis-tration is expected to ask for a renewal of covert aid to Nicaraguan rebels. It was cut off last year after more than \$100 million had been disbursed since

Soviet-bloc countries have warned the Sandinistas that they cannot provide everything Nicaragua needs, but they are continuing to send aid. Last Thursday, a Bulgarian freighter arrived at the port of Corinto carrying buses, tractors, medicine, fertilizers

The Sandinista army is Soviet-supplied, and Cuban military advisers continue to play key roles, especially in advising the general staff and training recruits.

## 'Dialogue of Deaf People'

The Sandinistas consider many of their domestic critics to be virtual partners of the armed rebels. One important civilian opposition figure, Arturo José Cruz, said this week that he believed Congress should continue funding insurgent groups as long as the Sandinistas maintained their present ties to Moscow and Havana.

The "national dialogue" that the Sandinistas convened at the end of October quickly collapsed when the extent negotiate with the rebels, who were of the disagreements among contend-

characterized in Sunday's issue of the ing forces became apparent. Since then, the Government has begun conversations with a Miskito Indian leader, Brooklyn Rivera, who heads an insurgent faction, and with a delegation of Roman Catholic bishops. But the talks with Mr. Rivera foundered over the issue of autonomy for the Miskitos, and conversations with church leaders have so far been "a dialogue of deaf people," according to an informed Catholic layman who is monitoring them.

In his Christmas message, Archbishop Miguel Obando y Bravo, a leading critic of the regime, lamented "divisions caused by ideological antagonisms."

"What is most worrying is to see how violence is progressively destroying our sense of brotherhood," the Arch-bishop said. "Whatever form it takes, we constantly face violence that limits freedom, destroys people's lives and honor and leaves wounds not easily healed."

## Many Products Are Scarce

With the Government desperately short of cash and with many items unavailable or extremely costly, the effect of the war is now felt more widely than ever. Cigarettes are the latest item in short supply, water is being rationed in Managua and, according to the Sandinista newspaper Barricada, the price of shoes has risen to the point where many working people cannot afford to buy them.

Opposition representatives sworn in today said in interviews that they would press for measures to stimulate production by providing financial incentives to the private sector. They said they would also seek changes in the military draft law and an easing of press censorship.

In addition to reviewing existing laws, the Assembly is soon to begin writing a new constitution. Opposition leaders have declared that they will fight any attempt to impose a Marxiststyle constitution.

These declarations were ridiculed in recent editorial in Nuevo Diario. "This is the problem of the right wing and those who have spent years relying on empty and insincere rhetoric," the newspaper said. "They are only able to say what they do not want, while carefully hiding what they do want.'